

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

0 4 — 0 0 7

2. STATE:

North Dakota

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE

April 1, 2004

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 447

7. FEDERAL BUDGET IMPACT:

a. FFY 2004 \$ 36,400

b. FFY 2005 \$ 68,900

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-A page 4

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Attachment 4.19-A page 4

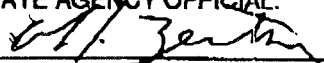
10. SUBJECT OF AMENDMENT:

Disproportionate share hospital payment

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT☐ OTHER, AS SPECIFIED:☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:



13. TYPED NAME:

David J. Zentner

14. TITLE:

Director, Medical Services

15. DATE SUBMITTED:

April 7, 2004

16. RETURN TO:

David J. Zentner
Director, Medical Services
ND Dept of Human Services
600 E Boulevard Ave-Dept 325
Bismarck ND 58505**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

APR 12 2004

18. DATE APPROVED:


JUN 21 2004

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

APR - 1 2004

20. SIGNATURE OF REGIONAL OFFICIAL:



21. TYPED NAME:

Charlene Brown

22. TITLE:

Deputy Director, CMSO

23. REMARKS:

STATE: North Dakota

Attachment 4.19-A

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the hospital's charges for inpatient services in the hospital in the same period. The total inpatient charges attributed to charity care shall not include contractual allowances and discounts (other than for indigent patients not eligible for medical assistance under an approved Medicaid State Plan) that is, reductions in charges given to other third-party payers, such as HMO's, Medicare or Blue Cross.

- e. A hospital which wishes to be considered for disproportionate share payments based on a low income utilization rate must submit, annually, a request indicating this desire and information sufficient to enable the computation of the low income utilization rate by April 1.
- f. For the purpose of paying disproportionate share hospitals, there are three types of hospitals, hospitals paid using PPS; the state psychiatric hospital; and all other hospitals paid based on reasonable costs.
- g. DSH payment adjustments are calculated as follows:
 - (1) Eligible hospitals paid using PPS will receive a DSH payment adjustment equal to the difference between the hospital's base DRG payment and the hospital's base DRG payment recalculated at the maximum base rate for group one plus four percent plus an additional ~~four tenths of~~ one percent for each percentage point that the hospital's Medicaid utilization rate exceeds one standard deviation above the state's mean inpatient utilization rate for all PPS hospitals receiving Medicaid payments. The eligible hospital's base DRG payment for the quarter being reported on form 64 will first be recalculated based on the maximum base rate for group one. The recalculated base DRG payment will be multiplied times the DSH adjustment percentage and that amount will be added to the difference between the hospital's base DRG payment and the recalculated base DRG payment to determine the DSH payment amount for the quarter.
 - (2) Eligible hospitals paid on based reasonable costs, excluding the state psychiatric hospital, will receive a DSH payment adjustment equal to \$1.00 plus one-tenth of one percent for each percentage point that the hospital's Medicaid utilization rate exceeds one standard deviation above the state's mean inpatient utilization rate for all hospitals receiving Medicaid payments. The eligible hospital's actual interim payments for the quarter being reported on form 64 will be multiplied times the DSH adjustment percentage to establish the hospital's DSH payment adjustment. The DSH payment adjustment is final and no recoupment or additional payment for DSH will be made when a settlement of the interim payment to reasonable cost is made.

TN No. 04-007

Supersedes

TN No. 01-003AApproval Date JUN 21 2004 Effective Date APR - 1 2004